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**TO: Economic Support Supervisors
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**FROM: Amy Mendel-Clemens
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BWP/BIMA OPERATIONS MEMO

No.: 02-68

File: 2821.1 2721

Date: 12/9/2002

Non W-2 ☒ W-2 ☐ CC ☐

PRIORITY: High

SUBJECT: Exclusion of Student Financial Aid for Food Stamps

CROSS REFERENCE: Food Stamp Handbook Appendix 7

EFFECTIVE DATE: January 1, 2003

PURPOSE

This operations memo describes a new policy for food stamps allowing the exclusion of student financial aid as income.

BACKGROUND

As a result of the 2002 Farm Bill, effective October 1, 2002, new legislation provides the opportunity for several changes in the Food Stamp (FS) Program. The State of Wisconsin is exploring all of the new State options and will implement those that meet the goals of simplified program administration, increased program access, and improved program integrity.

One of the options included in the Farm Bill legislation allows States to align some FS income definitions with Family Medicaid or TANF program policies. The Wisconsin Family Medicaid, Child Care, and W2 Programs exclude all types of student financial aid as income in the eligibility determinations for those programs.

POLICY

OLD POLICY

FS Handbook Appendix 07.03.00:

Count the following as unearned income. Use the student's award letter to determine the income from these sources:

1. Educational loans where repayment is deferred (if payments on the loan must begin within 60 days after the loan is received, it is not a deferred repayment loan),
2. Grants,
3. Scholarships,
4. Fellowships,
5. Veterans education benefits.

NEW POLICY

Disregard all types of student financial aid including any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like.

NOTE ➤ The exclusion of student financial aid as income does not affect the FS non-financial eligibility determination policy for students age 18-49 enrolled in institutions of higher education. Refer to FS Handbook Appendix 07.01.01 for this policy.

PROCEDURE

CARES screen ANSE is scheduled to be enhanced in February 2003 to allow for more accurate determination of student non-financial eligibility for FS. An Operations Memo explaining these enhancements will be issued before the changes are made in CARES.

Until these CARES enhancements are completed, do the following:

Student financial aid income: Do not budget any student financial aid beginning with January FS benefit eligibility determinations. A report listing open FS cases with student financial aid included in the FS budget is being sent to all local agencies. No student financial aid should be budgeted in these cases effective January 1, 2003. Remove student financial aid from screen AFEA.

Work Study: For students participating in a State or federally funded work study program that makes them non-financially eligible for FS, enter the work study code "CW" on screen AFEA with \$1.00 and offset it with "TU" expense of \$1.00. This will ensure the correct non-financial student eligibility determination for FS.

OTHER PROGRAMS

Elderly, Blind, Disabled (EBD) Medicaid still budgets any student financial aid that is not totally disregarded, (MA HB 18.2.1), or partially disregarded (MA HB 18.2.2) as unearned income.

For EBD Medicaid individuals, the budgetable student financial aid must be manually calculated following the process outlined in MAHB 18.2.2 and entered on CARES screen AFUI as OTMA income. This income will then be used in the EBD Medicaid budget and disregarded for FS.

CONTACTS

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Note: Email contacts are preferred. Thank you.